

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-142-WS
September 16, 2008

Application of Goat Island Water & Sewer)	
Co., Inc. for an Increase in its Rates and)	SETTLEMENT AGREEMENT
Charges for the Provision of Water and)	
Sewer Services and Approval of)	
Management Agreement.)	
_____)	

This Settlement Agreement is made by and between the Office of Regulatory Staff (“ORS”) and Goat Island Water & Sewer Co., Inc. (“Goat Island” or “the Company”) (together referred to as the “Parties” or sometimes individually as “Party”).

WHEREAS, the Company has prepared and filed an Application seeking an adjustment of its rates and charges and modifications to certain terms and conditions set out in its rate schedule for the provision of its water and sewer service for Wyboo Pointe, Sigfield, Lake Marion Shores, Gin Pond, Haynesworth Mill, and Goat Island;

WHEREAS, the above-captioned proceeding has been established by the South Carolina Public Service Commission (“Commission”) pursuant to the procedure established in S.C. Code Ann. § 58-5-240 (Supp. 2007), and the Parties to this Settlement Agreement are the only parties of record in the above-captioned docket;

WHEREAS, since the filing of the Application, ORS has requested information from Goat Island and the Company has provided those responses to ORS;

WHEREAS, ORS examined the books and records of the Company relative to the matters raised in the Application and, in connection therewith, has requested of and received from the Company additional documentation;

WHEREAS, the Parties have varying legal positions regarding the issues in this case;

WHEREAS, the Parties have engaged in discussions to determine if a settlement of the issues would be in their best interests; and

WHEREAS, following those discussions the Parties have each determined that their interests and the public interest would be best served by stipulating to a comprehensive settlement of all issues pending in the above-captioned case under the terms and conditions set forth herein;

NOW, THEREFORE, the Parties hereby stipulate and agree to the following terms, which, if adopted by the Commission in its Order on the merits of this proceeding, will result in rates and terms and conditions of water and sewer service which are adequate, just, reasonable, nondiscriminatory, and supported by the evidence of record of this proceeding, and which will allow the Company the opportunity to earn a reasonable operating margin.

1. The Parties agree that no documentary evidence will be offered in the proceeding by the Parties other than: (1) the Application filed by the Company, (2) the exhibits to the testimony referenced herein below, and (3) this Settlement Agreement with Exhibits D and E attached hereto.

2. The Parties stipulate and agree to include in the hearing record of this case the pre-filed direct testimony of Sharon G. Scott, Willie J. Morgan, Billie Ann Oliver, Timothy P. Oliver and Donald H. Burkett, including all exhibits attached to the pre-filed testimony, without objection or cross-examination. Further, the parties agree to include in the hearing record of this

case without objection or cross examination the settlement testimony of witnesses Willie J. Morgan, Sharon G. Scott and Timothy P. Oliver, incorporated herein by this reference as Exhibits A, B, and C.

3. The Parties stipulate and agree that the accounting exhibits prepared by ORS and attached hereto as Exhibit D fairly and reasonably set forth the Company's operating expenses, pro forma adjustments, depreciation rates, plant in service, Operating Margin of 16.27%, and revenue requirement.

4. The Parties stipulate and agree that the rate schedule attached hereto as Exhibit E, including the rates and charges and terms and conditions of service, are fair, just, and reasonable. The Parties further stipulate and agree that the rates contained in said rate schedule are reasonably designed to allow the Company to provide service to its customers at rates and terms and conditions of service that are fair, just and reasonable and the opportunity to recover the revenue required to earn a fair operating margin.

5. The parties agree that the Management Fee Agreement between Goat Island Water and Sewer Co., Inc. and Professional Irrigation Company (Timothy P. Oliver and Billie Ann Oliver, the Manager) is fair and reasonable.

6. ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B) (added by Act 175). S.C. Code § 58-4-10(B)(1) through (3) reads in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of

utility facilities so as to provide reliable and high quality utility services.

ORS believes the agreement reached between the Parties serves the public interest as defined above. The terms of this Settlement Agreement balance the concerns of the using public while preserving the financial integrity of the Company. ORS also believes the Settlement Agreement promotes economic development within the State of South Carolina. The Parties stipulate and agree to these findings.

7. In its Application, Goat Island has requested, based on the adjustments of ORS, an increase in annual revenues of \$58,292, based on current test year calculated revenues of \$194,316 and test year proposed revenues of \$252,608. As a compromise to positions advanced by ORS and Goat Island, the Parties stipulate and agree to an increase in annual revenues of \$26,948, said increase to be based upon the adjustments reflected in the testimony of Sharon G. Scott and the operating margin stipulated to by the Parties in Paragraph 8 below.

8. The Company and ORS recognize the value of resolving this proceeding by settlement rather than by litigation and, therefore stipulate and agree for purposes of settlement in this case that an operating margin of 16.27% is just and reasonable under the specific circumstances of this case, including the size and location of the system, and in the context of a comprehensive settlement.

9. The Parties further stipulate and agree that the stipulated testimony of record, the Application, and this Settlement Agreement conclusively demonstrate the following: (i) the proposed accounting and pro forma adjustments and depreciation rates shown on Exhibit D hereto are fair and reasonable and should be adopted by the Commission for ratemaking and reporting purposes; (ii) an operating margin of 16.27 %, which yields an annual increase in

revenues of approximately \$26,948, is fair, just, and reasonable when considered as a part of this stipulation and settlement agreement in its entirety; (iii) Goat Island's services are adequate and being provided in accordance with the requirements set out in the Commission's rules and regulations pertaining to the provision of water and sewer service, and (iv) Goat Island's rates as proposed in this Settlement Agreement are fairly designed to equitably and reasonably recover the revenue requirement and are just and reasonable and should be adopted by the Commission for bills rendered by the Company after October 15, 2008.

10. The Company agrees to file with the Commission a performance bond for water service in the amount of \$135,000 and for sewer service in the amount of \$100,000 by November 1, 2008.

11. The Company agrees to provide notice to its customers of these new rates.

12. The Parties further agree and stipulate that the rate schedule attached hereto as Exhibit E, including the rates and charges and the terms and conditions set forth therein, are just and reasonable, reasonably designed, and should be approved and adopted by the Commission.

13. The Parties agree that Goat Island shall adopt the NARUC uniform system of accounts and that it shall begin to keep all books and records in accordance with this system.

14. Goat Island further agrees that any future application for an increase or adjustment to its rates and charges shall be based on metered rates.

15. The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The

Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

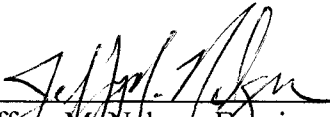
16. The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair, or prejudice their arguments or positions held in other proceedings. If the Commission should decline to approve the agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty or obligation.

17. This Settlement Agreement shall be interpreted according to South Carolina law.

18. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

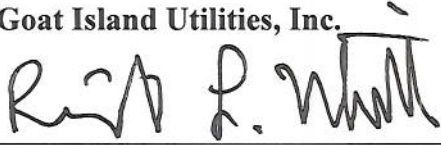
Representing the Office of Regulatory Staff



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WE AGREE:

Goat Island Utilities, Inc.

A handwritten signature in black ink, appearing to read "Richard L. Whitt". The signature is written in a cursive, stylized font. A horizontal line is drawn across the page just below the signature.

Richard L. Whitt, Esquire

Austin & Rogers, P.A.

508 Hampton Street, Suite 300

Columbia, SC 29201

Phone: (803) 251-7442

Fax: (803) 252-3679

E-mail: rlwhitt@alrlaw.com

EXHIBIT D

Goat Island Water and Sewer Co., Inc.
Docket No. 2008-142-W/S
Operating Experience and Operating Margin
For the Test Year Ended June 30, 2007

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Application Per Books	Differences	Revised Per Books	Settlement Proposed Accounting & Pro forma Adjustments	After Settlement Proposed Accounting & Pro forma Adjustments	Settlement Proposed Increase	After Settlement Proposed Increase
<u>Operating Revenues</u>							
Water Fees	\$ 177,681	(19,197)	158,484	1,014 (A)	159,498	26,502 (U)	186,000
Sewer Fees	0	34,560	34,560	90 (A)	34,650	446 (U)	35,096
Access Fees	0	0	0	168 (B)	168	0	168
<u>Total Operating Revenues</u>	\$ 177,681	15,363	193,044	1,272	194,316	26,948	221,264
<u>Operating Expenses</u>							
Ads	\$ 200	(200)	0	0	0	0	0
Gas	5,117	7,360	12,477	(2,415) (C)	10,062	0	10,062
Bank Charges	252	422	674	(209) (D)	465	0	465
Outside Labor	3,830	4,639	8,469	(2,694) (E)	5,775	0	5,775
Insurance - Vehicles	939	277	1,216	0	1,216	0	1,216
Maintenance	2,863	(2,863)	0	0	0	0	0
Office Supplies & Postage	3,507	375	3,882	(661) (F)	3,221	0	3,221
Accounting	975	1,485	2,460	0	2,460	0	2,460
Legal	14,500	4,100	18,600	(14,901) (G)	3,699	0	3,699
Rent (sprayfield & equip.)	3,180	320	3,500	0	3,500	0	3,500
Repairs	7,270	1,951	9,221	(512) (H)	8,709	0	8,709
Op. Supplies - Materials & Supplies	11,501	4,956	16,457	(5,731) (I)	10,726	0	10,726
Taxes - PSC, Utility & License	1,459	11,951	13,410	(11,403) (J)	2,007	200 (V)	2,207
Taxes - Property	4,000	(3,281)	719	0	719	0	719
Salary - Non-owner	16,475	0	16,475	14,725 (K)	31,200	0	31,200
Payroll Taxes	1,318	329	1,647	1,026 (L)	2,673	0	2,673
Telephone	904	5,449	6,353	(1,300) (M)	5,053	0	5,053
Water Analysis	16,211	2,781	18,992	0	18,992	0	18,992
Safe Drinking Water Act	8,375	(8,375)	0	0	0	0	0
Utilities	20,808	(3,319)	17,489	0	17,489	0	17,489
Depreciation	20,875	(1,440)	19,435	(3,769) (N)	15,666	0	15,666
Dues	175	30	205	0	205	0	205
Permits	3,402	(3,402)	0	0	0	0	0
Management Fee	0	0	0	24,000 (O)	24,000	0	24,000
Unclassifieds (Miscellaneous)	0	687	687	(436) (P)	251	0	251
Rate Case Expenses	0	0	0	8,749 (Q)	8,749	0	8,749
Income Taxes (State & Federal)	0	0	0	3,365 (R)	3,365	5,148 (W)	8,513
<u>Total Operating Expenses</u>	\$ 148,136	24,232	172,368	7,834	180,202	5,348	185,550
<u>Net Operating Income (Loss) for Return</u>	\$ 29,545	(8,869)	20,676	(6,562)	14,114	21,600	35,714
Add: Customer Growth	0	0	0	109 (S)	109	167 (X)	276
Less: Interest Expense	7,648	10,679	18,327	(18,327) (T)	0	0	0
<u>Total Income (Loss) for Return</u>	\$ 21,897	(19,548)	2,349	11,874	14,223	21,767	35,990
<u>Operating Margin</u>	12.32%		1.22%		7.32%		16.27%

Goat Island Water and Sewer Co., Inc.
Docket No. 2008-142-W/S
Explanation of Adjustments
For the Test Year Ended June 30, 2007

SETTLEMENT EXHIBIT SGS-2
Page 1 of 2

Revenues and Expenses	Adj.#	Description	\$ Per Settlement	\$ Per Application
<u>Settlement Proposed Accounting and Pro forma Adjustments</u>				
(A) Water Fees	1	To normalize customer billings for the test year for water fees.	1,014	0
(A) Sewer Fees	2	To normalize customer billings for the test year for sewer fees.	90	0
(B) Access Fees	3	To include access fee revenue for Gin Pond customers.	168	0
(C) Gas	4	To remove non-utility gas expenses. ORS did not adjust for an estimated increase in gas expenses since they were not known and measurable.	(2,415)	1,383
(D) Bank Charges	5	To remove late payment fees and credit card finance charges.	(209)	0
(E) Outside Labor	6	To reclass contract labor for employee now working full-time. ORS adjusts for additional salaries in adjustment #13.	(2,694)	6,570
(F) Office Supp. & Postage	7	To remove non-utility supplies.	(661)	0
(G) Legal	8	To amortize non-recurring legal expenses of \$18,497 over 5 years.	(14,901)	0
(H) Repairs	9	To remove expenses outside the test year and other non-utility services.	(512)	0
(I) Materials & Supplies	10	To remove non-utility materials and supplies and out-of-test year expenses.	(5,731)	0
(J) DHEC Fees	11	To remove pass-through DHEC Fees for the Safe Drinking Water Act.	(11,559)	0
Gross Receipts Tax	12	To remove penalty for late payment.	(26)	
Gross Receipts Tax	13	To adjust taxes to reflect accounting and pro forma adjustments using a factor of .0074178.	182	0
		<u>Total Taxes - PSC, Utility, & License</u>	(11,403)	0
(K) Salary Non-Owner	14	To annualize wages to include two full-time employees.	14,725	0
(L) Payroll Taxes	15	To adjust payroll taxes for annualized wages.	1,026	0
(M) Telephone	16	To remove non-utility expenses, correct a math error and remove out-of-test year expenses.	(1,300)	0
(N) Depreciation	17	To adjust depreciation and amortization on all fixed assets.	(3,769)	0
(O) Management Fee	18	To include Management Fee amount for proposed agreement.	24,000	0
(P) Miscellaneous	19	To remove non-utility related travel and business meals and a charitable contribution.	(436)	0
(Q) Rate Case Expenses	20	To include rate case expenses of \$26,247 amortized over 3 years.	8,749	0
(R) Income Taxes (State and Federal)	21	To adjust income taxes to reflect accounting and pro forma adjustments.	3,365	0
(S) Customer Growth	22	To adjust for water customer growth.	109	0
(T) Interest Expense	23	To remove nonallowable interest expense.	(18,327)	0

Goat Island Water and Sewer Co., Inc.
Docket No. 2008-142-W/S
Explanation of Adjustments
For the Test Year Ended June 30, 2007

SETTLEMENT EXHIBIT SGS-2
Page 2 of 2

Revenues and Expenses	Adj.#	Description	\$ Per Settlement	\$ Per Application
<u>Settlement Proposed Increase</u>				
(U) Water Fees	24	To adjust customer billings for settlement proposed rate increase for water fees.	26,502	59,460
(U) Sewer Fees	25	To adjust customer billings for settlement proposed rate increase for sewer fees.	446	446
(V) Gross Receipts Tax	26	To adjust gross receipts taxes associated with the settlement proposed rate increase using a factor of .0074178.	200	0
(W) Income Taxes (State and Federal)	27	To adjust income taxes associated with the settlement proposed rate increase.	5,148	0
(X) Customer Growth	28	To adjust for water customer growth.	167	0

Goat Island Utilities, Inc.
Docket No. 2008-142-W/S
Computation of Depreciation and Amortization Expenses
For the Test Year Ended June 30, 2007

Year Acquired	Description	Depreciation Expense Per Application \$	Reclass Land \$	Remove Non-Utility Plant \$	Amort. of Loan Costs \$	Adjusted Depreciable Plant in Service \$	W/W Service Life years	Rate %	Expense \$
Fixed Assets Per Application:									
07/01/95	Water/Sewage Plant	157,674	(20,000)			137,674	27	3.70%	5,094
09/01/95	Fencing	2,950				2,950	15	6.67%	197
06/01/96	Water Plant Additions	32,021				32,021	27	3.70%	1,185
09/14/96	Computer	1,208		(1,208)		0	0	0.00%	0
03/01/97	Water Plant Improvements	4,000				4,000	27	3.70%	148
01/02/97	4" Mixer	306				306	15	6.67%	20
10/14/97	Printer	358		(358)		0	0	0.00%	0
03/28/98	New Well/Pump	20,000				20,000	17	5.88%	1,176
02/20/99	Fencing	1,900				1,900	15	6.67%	127
01/02/99	Monitor	358		(358)		0	0	0.00%	0
06/28/00	Equipment	600				600	15	6.67%	40
10/01/01	Treatment Improvements	240				240	27	3.70%	9
05/01/03	Office Equipment	1,974		(1,974)		0	0	0.00%	0
12/11/04	Truck (Sold)	9,000				9,000	6	16.67%	1,500
07/01/96	Ditch Witch	8,000		(8,000)		0	0	0.00%	0
02/28/98	Office Furniture	848		(848)		0	0	0.00%	0
02/28/98	Air Conditioner	275		(275)		0	0	0.00%	0
06/01/00	Ditch Witch	13,000		(13,000)		0	0	0.00%	0
06/02/04	Telephone	424				424	10	10.00%	42
08/14/04	Aerators	2,154				2,154	12	8.33%	179
08/16/04	Trailer	535				535	6	16.67%	89
01/01/78	E&R Water System	59,096	(12,000)			47,096	27	3.70%	FD
02/01/96	Farm Equipment	25,000		(25,000)		0	0	0.00%	0
06/01/05	Equipment	5,932				5,932	15	6.67%	396
06/01/05	Equipment	800				800	15	6.67%	53
07/01/83	Sigfield Tank & Wells	60,000			(1,132)	58,868	20	5.00%	FD
07/01/83	Sigfield Water Lines	60,000			(1,132)	58,868	40	2.50%	1,472
07/01/83	Sigfield Land	15,000	(14,716)		(284)	0	0	0.00%	0
01/01/92	Wyboo Tanks & Equipment	23,500				23,500	20	5.00%	1,175
01/02/92	Wyboo Pipes	104,500	(15,000)			89,500	40	2.50%	2,238
01/03/92	Wyboo Water Main	14,422				14,422	38	2.63%	379
Total Adjusted - Per Application		626,073	(61,716)	(51,019)	(2,548)	610,790			15,519
Adjusted By ORS									
12/11/04	Truck (Sold)					(9,000)	6	16.67%	(1,500)
04/30/04	Chevy Truck					12,062	6	16.67%	2,011
02/01/00	GMC Truck					13,000	6	16.67%	FD
06/01/05	Equipment - Unsupported					(5,932)	15	6.67%	(396)
06/02/05	Equipment - Unsupported					(800)	15	6.67%	(53)
Balance						520,120			15,581
Reclass Land									
07/01/95	Goat Island Land					20,000			
01/01/00	E & R Land					12,000			
02/01/07	1 Lot Bendon Drive					7,358			
02/01/07	1 Lot Bendon Drive					7,358			
01/01/92	Wyboo Land					15,000			
	Total Land					61,716			
Amort. of Loan Costs									
02/02/07	Sigfield System - Amort. of Loan costs over average life of plant @ 30 years					2,548			85
Total Fixed Assets, Depreciation & Amortization Expense						584,384			15,666
									Per Book Depreciation Expense
									19,435
									Depreciation & Amortization Expense Adjustment
									(3,769)

FD= Fully Depreciated

Company did not capitalize tap fees, therefore ORS did not adjust for amortization of Contributions In Aid of Construction.

EXHIBIT E

Goat Island Water and Sewer Company, Inc.
2008-142-WS
Service Revenue Impact

Settlement Exhibit WJM-1

Goat Island Water & Sewer Company, Inc. Revenues at Proposed Settlement Rates

Service Type	Classification	Customer	Consumption in Gallons	Usage Charge per 1000 gal. up to 2,000 gal.	Usage Charge per 1,000 gal. from 2,001 to 5,000 gal.	Usage Charge per 1,000 gal. over 5,000 gal.	Usage Charge per 1,000 gal.	Service Units*	Base Facility Charge (BFC)	Test Year Proposed Revenues	Increase Amount	% Increase
WATER	Residential	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	223	\$25.00	\$66,900	\$16,056	31.6%
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	66	\$25.00	\$19,800	\$4,752	31.6%
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	8	\$25.00	\$2,400	\$576	31.6%
		Sigfield	0	\$0.00	\$0.00	\$0.00	\$0.00	87	\$25.00	\$26,100	-\$9,396	-26.5%
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	140	\$25.00	\$42,000	\$21,840	108.3%
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	94	\$25.00	\$28,200	-\$5,640	-16.7%
	Residential Water Service Total							618		\$185,400	\$28,188	17.9%
	Commercial	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$25.00	\$0	\$0	N/A
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$25.00	\$0	\$0	N/A
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$25.00	\$0	\$0	N/A
		Sigfield (3/4 inch Tap)	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$25.00	\$0	\$0	N/A
		Sigfield (1 inch Tap)	0	\$0.00	\$0.00	\$0.00	\$0.00	1	\$25.00	\$300	-\$1,176	-79.7%
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$25.00	\$0	\$0	N/A
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	1	\$25.00	\$300	-\$510	-63.0%
	Commercial Water Service Total							2		\$600	-\$1,686	-73.8%
	TOTAL WATER SERVICE REVENUE							620		\$186,000	\$26,502	16.6%
SEWER	Residential	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Sigfield	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	94	\$30.00	\$33,840	\$0	0.0%
		Collection Only	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$20.00	\$0	\$0	0.0%
	Residential Sewer Service Total							94		\$33,840	\$0	0.0%
	Commercial**	Lake Marion Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Gin Pond Shores	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Haynesworth Mill	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Sigfield (3/4 inch Tap)	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Wyboo Pointe	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	\$0	\$0	N/A
		Goat Island	0	\$0.00	\$0.00	\$0.00	\$0.00	3.4875	\$30.00	\$1,256	\$446	55.1%
		Collection Only	0	\$0.00	\$0.00	\$0.00	\$0.00	0	\$20.00	\$0	\$0	0.0%
	Commercial Sewer Service Total							3.4875		\$1,256	\$446	55.1%
TOTAL SEWER SERVICE REVENUE							97.4875		\$35,096	\$446	1.3%	
COMBINED OPERATIONS REVENUE										\$221,096	\$26,948	13.9%
Access Fee (Gin Pond Customers)							7	\$2.00	\$168	\$0	0.0%	
TOTAL OPERATING REVENUE										\$221,264	\$26,948	13.9%

Customer Tap Fees and Reconnection Fees are not included in any of the above computations.

** Commercial sewer customer units are based on SFE

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WATER SERVICE

	<u>Current</u>	<u>Proposed Phase I</u>	<u>Proposed Phase II</u>	<u>Proposed Settlement</u>
1. Monthly Charges				
<u>Residential</u>				
Goat Island Commodity Charge	\$30.00 per unit	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons	\$25.00 per unit
Lake Marion Shores/Gin Pond Commodity Charge	\$19.00 per unit	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons	\$25.00 per unit
Haynesworth Mill Commodity Charge	\$19.00 per unit	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons	\$25.00 per unit
Sigfield Water Company, Inc. Commodity Charge	\$34.00 per unit	\$34.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons	\$25.00 per unit
Wyboo Pointe Commodity Charge	\$12.00 per unit	\$24.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons	\$25.00 per unit
<u>Commercial</u>				
Goat Island Commodity Charge	\$67.50 per unit	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons	\$25.00 per unit
Lake Marion Shores/Gin Pond Commodity Charge	\$19.00 per unit	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons	\$25.00 per unit
Haynesworth Mill Commodity Charge	\$19.00 per unit	\$30.00 per unit	\$23.00 per unit \$2.50 per 1,000 gallons	\$25.00 per unit
Sigfield Water Company, Inc. (3/4" Tap)	\$83.00 per unit	\$30.00 per unit	\$23.00 per unit	\$25.00 per unit
Commodity Charge	\$3.00 per 1000 gallons (1st 2000 gallons)		\$2.50 per 1,000 gallons	
Commodity Charge	\$3.18 per 1000 gallons (2001 to 5000 gallons)			
Commodity Charge	\$3.35 per 1000 gallons (over 5000 gallons)			

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WATER SERVICE (continued)

Sigfield Water Company, Inc. (1" Tap)	\$123.00 per unit	\$30.00 per unit	\$23.00 per unit	\$25.00 per unit
Commodity Charge	\$3.00 per 1000 gallons (1st 2000 gallons)		\$2.50 per 1,000 gallons	
Commodity Charge	\$3.18 per 1000 gallons (2001 to 5000 gallons)			
Commodity Charge	\$3.35 per 1000 gallons (over 5000 gallons)			

Wyboo Pointe	\$12.00 per unit	\$30.00 per unit	\$23.00 per unit	\$25.00 per unit
Commodity Charge			\$2.50 per 1,000 gallons	

2.
Tap Fees

Goat Island				
Residential:	\$450.00 per unit	\$450.00 per unit	\$450.00 per unit	\$450.00 per unit
Commercial:	\$450.00 per SFE	\$450.00 per SFE	\$450.00 per SFE	\$450.00 per SFE
Lake Marion Shores/Gin Pond				
	\$200.00 per unit	\$200.00 per unit	\$200.00 per unit	\$200.00 per unit
Haynesworth Mill	\$200.00 per unit	\$200.00 per unit	\$200.00 per unit	\$200.00 per unit
Sigfield Water Company, Inc.	\$500.00 per unit	\$500.00 per unit	\$500.00 per unit	\$500.00 per unit
Wyboo Water Department	\$450.00 per unit	\$450.00 per unit	\$450.00 per unit	\$450.00 per unit

3.
Reconnection Charges

Goat Island	\$0.00 per unit	\$0.00 per unit	\$0.00 per unit	\$0.00 per unit
Lake Marion Shores/Gin Pond	\$50.00 per unit	\$50.00 per unit	\$50.00 per unit	\$50.00 per unit
Haynesworth Mill	\$50.00 per unit	\$50.00 per unit	\$50.00 per unit	\$50.00 per unit
Sigfield	\$0.00 per unit	\$0.00 per unit	\$0.00 per unit	\$0.00 per unit
Wyboo Pointe	\$30.00 per unit	\$30.00 per unit	\$30.00 per unit	\$30.00 per unit

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SEWER SERVICE

CURRENT RATES AND CHARGES

Goat Island

Residential Monthly Charges	\$30.00 per unit
Commercial Monthly Charges	\$67.50 per unit
Tap Fee	\$450 per unit

PROPOSED SETTLEMENT RATES AND CHARGES

1.

Monthly Charges

Residential - monthly charge per single-family house, condominium, villa, or apartment unit	\$30.00 per unit
Commercial - monthly charge	\$30.00 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup. The Utility shall give the Commission thirty days notice of its intent to pass-through to customers treatment charges which are higher than those in effect at the time of the Commission's approval of the within rate schedule. The Utility shall provide with such notice written documentation of an increase by the provider of treatment services justifying the increase in the amount of treatment charges sought to be passed-through to affected customers. In the event that an increase in the amount of treatment charges to be passed through to customers rate is found by the Commission to be so justified, the utility will then be required to give customers an additional thirty days notice before the increase in the treatment charges to be passed through may be put into effect.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

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SEWER (continued)

Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for pumping the tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement and may be paid for over a one year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such a visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

2.

Nonrecurring Charges

Tap Fee

\$500 per SFE*

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3.

Notification, Account Set-Up and Reconnection Charges

a. Notification Fee

A fee of ten dollars (\$10.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

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SEWER (continued)

- b. Customer Account Charge - for new customers only.
All Areas

\$25.00

A one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected.

4.
Billing Cycle

Recurring charges will be billed monthly, in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5.
Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

6.
Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service, unless treatment capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any

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SEWER (continued)

reason additional customers to the serving sewer system. In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.


* A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2006), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-142-WS

IN RE:)	
Application of Goat Island Water and Sewer)	CERTIFICATE OF
Company, Incorporated for an Increase in its)	SERVICE
in its Rates and Charges for the Provision)	
of Water and Sewer Services and Approval)	
of Management Agreement)	

This is to certify that I, Pamela J. McMullan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **SETTLEMENT AGREEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Richard L. Whitt, Esquire
Austin & Rogers, P.A.
Post Office Box 11716
Columbia, SC, 29201



Pamela J. McMullan

September 16, 2008
Columbia, South Carolina